

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 22, 2016

Rick Havenstrite Desert Hawk Gold Corporation 1290 Holcomb Avenue Reno, Nevada 89502

Subject: <u>Acceptance of Amended Notice of Intention to Commence Large Mining Operations</u>, <u>Desert Hawk Gold Corporation</u>, <u>Kiewit Mine</u>, <u>M/045/0078</u>, <u>Tooele County</u>, <u>Utah</u>

Dear Mr. Havenstrite:

The Division of Oil, Gas and Mining (Division) approves the amended Kiewit Notice of Intention to Commence Large Mining Operations (Notice) submitted on April 18, 2016. The following pages have been replaced in the Notice:

Updated Groundwater Discharge Permit UGW 510004

The Ground Water Discharge Permit has been stamped accepted, and a copy is provided for your records. Please keep the Notice current by submitting changes using Form MR-REV-att, which is located on the Division's web site at ogm.utah.gov.

The approval of an amendment does not relieve an operator from his responsibility to comply with the applicable statutes, rules, regulations, and ordinances of all local, state and federal agencies with jurisdiction over any aspect of the operator's mining operations.

The Division again reiterates the conditions included in the approval letter dated February 21, 2014:

- 1. Mining at the Clifton Shears will not exceed 20 feet in depth until the operator has completed additional rock characterization. As noted above and requested by the operator, this area along with the Herat area will not be mined at this time until characterization and additional surety is received.
- 2. No mining may be done at the Yellow Hammer until the operator has completed rock characterization.
- 3. Mining at the Kiewit will include rock characterization as committed to in the NOI.
- 4. Backfilling and grading reclamation bond monies will not be released until the heap leach draw down has been completed.

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The Division and Desert Hawk Gold have agreed that inconsistencies exist in the Notice of Intention to Commence Large Mining Operations (Notice) and that any inconsistencies that impact regulatory authority decisions will be decided by the Division.

Thank you for your cooperation in finalizing this permitting action. Please call Leslie Heppler at 801-538-5257 if you have any questions in this regard.

Sincerely,

Paul B. Baker

Minerals Program Manager

RBN

PBB: lah: eb

Enclosure: Approved pages

cc: Mark Novak, DWQ (<u>mnovak@utah.gov</u>)
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